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ARIZONA CORPORATION COMMISSION



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AZ CORP COMMISSION DOCUMENT CONTROL

December 28, 2006

Mr. Mark Grapp, President/General Manager Cedar Grove Water Inc. Post Office Box 1270 Show Low, Arizona 85902

RE: CEDAR GROVE WATER, INC. – APPLICATION FOR A RATE INCREASE, DOCKET NO.

W-02597A-06-0308

FOURTH LETTER OF DEFICIENCY

Dear Mr. Grapp:

In reference to your rate application received on May 2, 2006, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff previously found that your application was deficient on June 1, 2006, July 19, 2006, and November 14, 2006. The Company submitted information in response to those letters. The information submitted did not sufficiently or completely address some of the deficiencies. The continued deficiency is listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiency and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until January 12, 2007, to correct the deficiency or make other arrangements with Staff to remedy your rate application.

The Staff person assigned to your application is Darak R. Eaddy. He can be reached at (602) 542-0855, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Assistant Director / Acting Chief Accountant

Financial & Regulatory Analysis Section Corporation Commission
Utilities Division

DEC 28 2006

DOCKETED

DOCKETED BY

CC:

Docket Control Center (sixteen copies) Lyn Farmer, Hearing Division Delbert Smith, Engineering Consumer Services Legal Division

Cedar Grove Water, Inc. Rate Application Docket No. W-02597A-06-0308 Test Year Ended December 31, 2005 Fourth List of Deficiencies

The specific item that has caused a fourth finding of deficiency is as follows:

1. Please provide Engineering Staff with the necessary system repair information.